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TO

MR SMITH'S ADDRESS.

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PUBLISHED BY AUTHORITY OF

THE TOWN COUNCIL OF EDINBURGH.

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A. & S. W. F. R.

MR. GALT'S ADDRESS.



THE BRITISH MUSEUM

AND THE NATIONAL ANTHROPOLOGICAL INSTITUTE

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1881

AN

ANSWER, &c.

WHATEVER difference of opinion may have existed as to certain points of Mr Smith's conduct in the Politics of this City, the Public have hitherto given him credit for more than ordinary abilities. The Address, which he has thought proper to obtrude on the Public, will probably bring even his abilities into question, and leave the Citizens of Edinburgh without one reason to regret his dismissal from Office.

The

The Gentlemen who, by the votes of so great a majority of the Council, have lately been elected into the government of this City, would have willingly left to Mr Smith the credit which he arrogates to himself, of having conceived a plot to reform the abuses which he pretends to have discovered in the management of the funds of the City, if his Pamphlet had not been evidently calculated to ruin its credit, and thereby embarrass and obstruct the measures of the present Magistrates. , Supposing Mr Smith's statements and calculations to be all correct, whether, in exposing the affairs of the City, he has not been actuated more by personal resentment than by patriotism, the Public will determine. If the present Magistrates had, as Mr Smith supposes, no desire to save the City from that bankruptcy into which he states it to have actually fallen—if they were driven into measures
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of oeconomy and of reform merely by Mr Smith's reproaches—his publication is calculated to prevent the very services to which he urges them, by alarming the creditors of the Town, and accelerating that bankruptcy, which the reforms and regulations he pretends to have suggested, might otherwise have prevented. Mr Smith appears to be so very fond of the City of Edinburgh, that, like some desperate lovers, he seems to wish that it should not survive himself, and is jealous lest it should be saved by the services of his rivals.

The present Magistrates of Edinburgh, who authorise this publication, shall not descend to personal altercation with Mr Smith. That Gentleman has thought proper to give his own account of many private and confidential conversations with various Gentlemen in the govern-
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ment and service of the City. The Public are well acquainted with the characters of those Gentlemen, and will judge, whether, from any quarter, they would have believed them capable of the conduct and motives imputed to them in the Address. In the sequel, Mr Smith's candour and accuracy will be placed in such a point of view, as to satisfy the Public, that it is not necessary for them to take the trouble of vindicating their characters against *his* aspersions. Still less shall the present Magistrates imagine, that, supposing the finances of the City to be in the desperate state which Mr Smith so kindly represents, he is the person, of all others, to whom the Citizens would wish to see the administration of its affairs entrusted.

The present Magistrates have no occasion to excuse themselves, either on account
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of the amount of the City's debts, or for the manner in which the books are kept.

Mr Smith does not charge his opponents with having contracted, and hardly with having encreased the debt of the City ; and as to the books, he himself admits that they are kept in the same form as they were an hundred years ago. Whether that be or be not the best form, may admit of doubt : but a form that has existed for an hundred years, the Public will probably think, ought not to be altered, merely because Mr Smith chooses to say he cannot understand it ; and, even if it should be found proper to alter it, the Public will also see, that it will require some time, and considerable previous reflection and arrangement. Though unintelligible to Mr Smith, however, it may be right to mention, that they are perfectly intelligible to sixteen

of the principal Merchants and Tradesmen in Edinburgh, (persons *not* of the Council), who, by the set or constitution of the Burgh, are annually appointed to audite them.

Whether the reforms and regulations suggested by Mr Smith be or be not either proper or practicable, the Public probably will think that the present Magistrates ought not to adopt them merely on Mr Smith's suggestion, without mature deliberation. Mr Smith ought to know that the affairs of a large corporation cannot be conducted in the rapid manner in which a bold and dashing adventurer may find it easy to manage his own concerns. Mr Smith admits, that he was *four* years in Council; and yet, on the day he left it, he had only got the length of the *developement* (as he calls it) of his Plot of Reform. He repeatedly complains

complains how impossible he found it for himself, a private individual in the Council, to be of any service in rectifying abuses. He might therefore have had the charity to allow, that it is and must be equally difficult for any other private individual; and, on the other hand, that when co-operation is necessary, when the ultimate concurrence of above twenty persons in the Council, and the previous concert and united opinions and labour of the Magistrates, are required, before any regular and systematic Plan of Reform can be adopted, he should have made the necessary allowance for delay, and should have been cautious of ascribing to a disinclination in his colleagues, what was the necessary result of their relative situation. If what Mr Smith states on this subject be a charge at all, it is a charge only against his friend Sir James Stirling. The Lord Provost is the only

individual in the Council, who, by his *personal* influence and authority, could possibly carry through with rapidity any system of Reform. But Sir James Stirling was thrice Provost, while all Mr Smith's list of abuses existed as strongly as at the present moment, without taking any measures to reform them. Nay, Mr Smith states it to be only within these few months that he himself had been able to procure Sir James's support to the system which he says he intended to propose. But the present Magistrates have no charge on this account to state against Sir James Stirling, because they do not admit the abuses, and because they have no doubt that Sir James will be at all times happy, either to suggest or to adopt any measure for the good of the Community, and will not, by insidious publications, endeavour to obstruct the measures of his colleagues, and still less to ruin the credit

dit of the City, whose interest Mr Smith professes to have so much at heart.

Leaving, however, the subject of abuses and reforms, which it is probable the Public will think just as safe in the hands of the present Magistrates as of Mr Smith and his friends, the main point of Mr Smith's Address remains, What is the actual state of the finances of this City, and are they in the desperate state which his Address holds forth to the Public on this point? The present Magistrates are happy to be able to contradict Mr Smith; and they will immediately prove, by authentic evidence, nay, by evidence on the face of his own statements, that he has *wilfully* overstated the debt of the City to an enormous amount.

The first article in Mr Smith's list of the debts of the City is one of L. 73,000,
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(see Address, page 30.), " for which he " says the ale-duty is appropriated." This is all very fair; the City does owe that sum; and it is equally true that the ale-duty is appropriated to pay it;—appropriated by Act of Parliament, not only for the payment of the interest, but the surplus is to form a sinking fund for the gradual extinction of the capital. All this Mr Smith saw, or might have seen, in the Act of Parliament. He might also have seen, from those very books, to which he admits that Mr Bruce, the City-Accountant, gave him free access, that the ale-duty is amply sufficient for both purposes. The interest of the L. 73,000, a great part of it being at less than 5 *per cent.* is L. 3150 a-year. Now the ale-duty has produced yearly for two years considerably above L. 1000 more than this interest and other prestations; and from its very nature, it must increase rather than diminish.

diminish. When, therefore, Mr Smith discovered, from this act of Parliament and the City books, not only the amount of this debt, but also the very ample fund on which it is secured, the Public may perhaps think, that it would have been fair in him to have taken some notice of the Ale-duty in his account of the ordinary revenue of the city. No such thing, however, is to be found. The debt is stated at its full amount of L. 73,000. But, in enumerating the different sources of annual revenue, he omits the Ale-duty entirely. Nothing certainly can be more uncandid. If Mr Smith thought it improper to include in the ordinary revenue of the City the Ale-duty, because it was strictly appropriated to pay this particular debt, then the debt itself ought also to have been set aside, as being now, in fact, otherwise provided for. If he had omitted both the debt and the Ale-duty,

duty, and allowed the one to compensate the other, the present Magistrates would not have complained ; although even that would not have been very candid, unless he had also admitted, what he must have known, that the Ale-duty was appropriated to pay not only the interest of this L. 73,000, but also the principal, and that it was amply sufficient for both. But to thrust forward to public view this debt of L. 73,000 as a burden on the city, and at the same time keep out of view the ample fund appropriated to pay it, is a conduct for which want of candour seems too mild an appellation.

Mr Smith may perhaps defend himself on this point, by saying, that if he has omitted the Ale-duty from the ordinary revenue of the Town, he has not charged the ordinary expenditure with the interest of the L. 73,000. But this only
betrays

betrays Mr Smith's consciousness that this debt of L. 73,000, being secured by Act of Parliament, both as to the payment of principal and interest, on a fund amply sufficient for both purposes, ought not to have been brought into view at all; or if brought into view, it certainly should not have been disconnected from the fund appropriated to pay it. But there is no small art in Mr Smith's leaving out the interest of this L. 73,000 from the City's ordinary expenditure; because, if he had stated it, he would then have been absolutely compelled to state the Ale-duty, which would not have answered his purpose; because it would have at once proved, that the Ale-duty greatly exceeded the interest, and was amply sufficient to furnish the sinking fund provided by the act. This conduct of Mr Smith, therefore, if he shall found on it in defence, forms truly an aggrava-

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tion

tion of his conduct ; for it is plain, from the manner in which he has stated this debt of L. 73,000, that he wished the Public to believe, that it was a debt for which no provision was made, except for the payment of the interest ; and that, if ever repaid, it could only be out of the ordinary revenue, which he states to be insufficient even for the ordinary expenditure ; whereas the Public now see, that this L. 73,000 will be repaid, both principal and interest, out of a separate fund appropriated by Act of Parliament.

The next article in Mr Smith's list, is, " On bond and promissory-notes, granted by the Chamberlain, payable on demand, L. 28,120 : 12 : 1." This appears to be a very particular article, being so minutely exact as to include the odd 12 s. 1 d. It is, however, erroneous in every respect. In the *first* place, Wonderful

derful to tell! it is *understated*. If any person should be disposed to place this to account of Mr Smith's candour, as a kind of set-off against the former article, it at least destroys his credit for accuracy. The real amount of this debt is L. 29,422, 12 s. 1 d. making a difference of above L. 1300. Mr Smith, however, takes care that charity itself should not impute this undercharge to his extreme caution; for he immediately states as a separate article of debt against the Town, L. 2222, "Due on Leith harbour," (Address, p. 30.); while it so happens, that this L. 2222 is included in his second article of L. 28,120 : 12 : 1, and of course is a palpable overcharge, and one, too, which Mr Smith might also have seen, nay, could hardly avoid seeing, from the accounts furnished to him by Mr Bruce.

But this is not all. He also states as a *separate* article of debt, over and above his L. 28,120:12:1, "Due to the Collectors of the Cefs, on account of the City-guard, L. 2800." Now, it also unfortunately happens, that this debt, at least to the extent of L. 1706:14:8, is also included in his L. 28,120:12:1;—and this overcharge Mr Smith might also have seen from the accounts of the City, from which he boasts that he made his state of its debts.

On the whole, therefore, of this article of L. 28,120:12:1, it appears that Mr Smith is not only inaccurate in his sum-total, to the amount of L. 1302, but, in his particular *items*, has charged two articles twice over, to the amount of L. 3928, 14 s. 8 d.; from which deduct his undercharge of L. 1302, and there still remains an overcharge of L. 2626:14:8.—So
much

much for the accuracy and candour of the author of this *Plot*, to reform the finances of the City of Edinburgh.

Mr Smith also states, " Due to Bankers
 " on various accounts, *exclusive of interest*,
 " L. 22,686." This is plainly intended to make the Public, and the creditors of the City, believe, that on this large capital of L. 22,686, there may be, for any thing Mr Smith knows, a large indefinite sum due for interest, from any remote period, and to any amount, that the fears of individuals may suggest. The fact is, that the above sum of L. 22,686 *includes* interest up to the 30th June 1798. This Mr Smith knew well; and therefore had no occasion to state the above article in such vague and alarming terms.

But all this is precision and fairness itself, compared to what follows. Mr Smith (Address, p. 30.) has the following

ing article in his list of the *capital* sums
owing at Martinmas 1798 :

“ Life-annuities applicable to the proper

“ Revenue, - L. 2422 12 6 $\frac{6}{12}$

“ Leith Harbour, - 928 19 1 $\frac{6}{12}$

L. 3351 11 8

Then he adds,

“ I have been unable to come at the
“ principal sums which have been re-
“ ceived by the City for these annuities :
“ I know of no account of them any
“ where, except in a private book belong-
“ ing to Mr Gray * ; but the debt there-
“ by

* It may not be improper here to observe, that every annuity granted by the Town, is uniformly proposed for the consideration of the Council, recorded in their minutes, and regularly entered in the Chamberlain's Cash-book ; inspection whereof can at all times be obtained, both from the records and the annual account, as well as from Mr Gray's private book.

“ by contracted cannot be reckoned at
 “ less than L. 30,000 ;” and accordingly,
 he actually states this sum of L. 30,000 as
 a *capital* sum owing by the Town. Mr
 Smith is a Banker by profession, and a
 great financier in his own opinion, and
 no doubt will be able to explain to the
 Public, the gross mistake under which the
 world has hitherto laboured ; for it has
 generally been supposed, that when an
 individual or a corporation borrows mo-
 ney on life-annuities, it is for the very
 purpose of avoiding any addition to the
capital of their debt ; and that the only
 debt thereby incurred, is the annuities
 granted in lieu of the capital sunk. In
 his list of the City’s ordinary expenditure,
 he states these annuities ; and therefore,
 by what rule of finance, he at the same
 time charges the City with the sum of
 L. 30,000 received for them, as a capital
 debt subsisting against it, Mr Smith the
 Banker

Banker may be able to explain. To the humble capacities of the present Magistrates, it appears that this L. 30,000 is not a debt against the City : On the contrary, that the City owes nothing but the L. 3351 : 11 : 8 of life-annuities ; a debt which is daily diminishing, and which, at no very distant period, must, by the course of nature, extinguish itself.

In short, if Mr Smith will take the trouble of summing up the above articles, he will then be able to inform his fellow Citizens, that he has overcharged the debt of the City to the amount of L. 106,928, 14 s. 8 d.

As the object of the present Magistrates, in this publication, is not to expose or triumph over Mr Smith, but to vindicate the credit of the City from the serious injury which his Address and his Plot might have

have inflicted on it, they shall not trespass on the patience of the Public, by following Mr Smith *minutely* through the remainder of his Pamphlet, trusting that they have already given their fellow Citizens the comfort of knowing, that the affairs of this City are in that respectable situation in which every good man must rejoice to see them. They shall only observe, that Mr Smith has been so anxious to make this City appear to be bankrupt, that, among many other *inaccuracies*, he has brought into his statement of its *ordinary* expenditure a variety of articles, which, he himself knows well, are of an *extraordinary and incidental* nature, nay, many of which are articles merely of *temporary advance*, to be afterwards *repaid* to the Town. For example, he has included in the *ordinary* expenditure of the City the following articles :

D

Causewaying

Caufewaying west end of
 Prince's Street, and ma-
 king common sewers in

Charlotte Square,	L. 475	11	9
Repairing the Green Market,	370	3	1
New supply of water,	- 300	0	0
	<hr/>		
	L. 1145	14	10

These articles, Mr Smith ought to have known, were of an extraordinary nature, not to occur again ; or, if he did not know it, he is not qualified to instruct his fellow Citizens on the subject of the affairs of this City.

In the same manner, Mr Smith has included in the ordinary expenditure of the City the following sums :

The

The expence of the parapet-
wall and railing of Char-

lotte Square, - L. 925 9 8

N. B. This is all to be
repaid by the Feuers.

Property bought in the
Lawn-market, leading to
the Mound, - 600 6 $6\frac{1}{2}$

N. B. This will all be
repaid when the areas are
fold ; nay, in all proba-
bility, the City will gain
by this purchase.

Building cellars, pavements,

&c. in York Place, 349 15 6

N. B. This is all to be
repaid by the Feuers.

Total to be repaid, L. 1875 11 $8\frac{1}{2}$

Add as above, - 1145 14 10

Making in all L. 3021 6 $6\frac{1}{2}$

of *extraordinary* expence, nearly two-thirds
of which, too, is to be repaid.

The present Magistrates shall now take their leave of Mr Smith, and they sincerely hope for ever, assuring him and the Public, that they shall steadily pursue what appears to them to be the real interests of the City of Edinburgh, and that they will neither allow themselves to be goaded, by Mr Smith's reproaches, into reforms and regulations of which their own understandings disapprove, nor to be deterred from adopting what shall appear to be advantageous, merely because it may have been the suggestion of disappointed ambition.

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A P P E N D I X.

A PUBLICATION entitled, "Address to
" the Town Council of Edinburgh, by
" Thomas Smith, Esq; one of the present
" Old Bailies, delivered in his place at
" the Council Table, on Friday Septem-
" ber 27th 1799, at choosing the leets
" for New Magistrates, containing some
" account of the City's Affairs, its Debt,
" Revenue, Expenditure," &c. having, by
the Magistrates of Edinburgh, been put
into my hands as accountant to the City,
for the purpose of considering the state-
ments of the debt due by the City of
Edinburgh,

Edinburgh, and the account of the receipt and expenditure stated in said Address, and having accordingly considered the same, I do hereby report, That the amount of the debt stated as due by the City of Edinburgh is greatly exaggerated, inasmuch that, (exclusive of the L. 73,000 included in that state, and which is provided for by the Ale-duty), he states as a real debt, no less than L. 30,000, which he supposes was received at granting Liferent-annuities. This, however, cannot be considered as a debt to be paid, a number of the annuities having subsisted for a considerable time, and are yearly decreasing. He has besides overcharged sums to the extent of L. 3928 : 14 : 8. These put together amount to the sum of L. 106,928, 14 s. 8 d.

And, from my knowledge of the Town's funds, and their growing increase, I have

no

no hesitation in certifying, that the funds belonging to the City will not only be much more than sufficient for answering the ordinary expenditure, and also the interest of the debt due by the Community, with the annuities ; but that it will also afford a sinking fund for the payment of the principal. I also hereby certify, that the sums stated as articles of *extraordinary* expenditure, or to be repaid, amounting to L. 3021 : 6 : $6\frac{1}{2}$, but which Mr Smith includes in the *ordinary* expenditure, are accurately copied from the Books of the City, which were under Mr Smith's inspection.

(Signed) JAMES BRUCE.

The foregoing certificate is independent of the following particulars, the value of which Mr Smith in his publication seems to have forgot, to wit, a number of
areas

areas for building, unfold, in Charlotte Square, Dickson's acres, and other parts of the Extended Royalty, and the areas leading to the Mound, as well as the whole areas and ground on the south side of Prince's Street *westward* of the Mound; together with a number of areas already built upon, the purchase-money for which, although bearing interest, has not yet been paid.

Note. I am informed that the Trustees for the South Bridge will fully repay the Community the money expended in purchasing the Luckenbooths.

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